



ARIZONA CITIZENS CLEAN ELECTIONS GUIDE



azcleanelections.gov

Early Contribution Limits

- Collected and spent during the exploratory period and through August 21, 2018.
- Individuals may contribute up to a maximum of \$160.
- Contributions from political action committees (PACs), businesses, corporations, political parties and labor unions are prohibited.
- A participating candidate may contribute personal funds up to a maximum amount of \$740 for candidates for the legislature and \$1,460 for candidates for Statewide offices. The personal contribution limit includes contributions received from certain family members.
- A participating candidate's total early contributions must not exceed the amount specified below.
- A non-participating candidate who later chooses to run as a participating candidate may not have spent contributions exceeding the individual early contribution limit of \$160 or exceeding the aggregate early contribution limit for the specified office.

\$5 Qualifying Contributions (Can be collected from August 1, 2017 through August 21, 2018.)

- A candidate must collect a minimum number of qualifying contributions. The Commission recommends collecting 20% more \$5 Qualifying Contributions than the minimum number required.

Candidate Type	Early Contribution Limit	Personal Contribution Limit	\$5 Qualifying Contributions
Governor	\$58,810	\$1,460	4,000
Secretary of State	\$55,630	\$1,460	2,500
Attorney General	\$55,630	\$1,460	2,500
Treasurer	\$27,811	\$1,460	1,500
Supt. of Public Instruction	\$27,811	\$1,460	1,500
Corporation Commission	\$27,811	\$1,460	1,500
Mine Inspector	\$13,909	\$1,460	500
Legislature	\$4,345	\$740	200

Expenditures

- A participating candidate must adhere to expenditure limits and may not make expenditures in excess of the cash on hand. Cash on hand includes both early contributions received and candidate funding.

Candidate Funding

- In 2018, candidates running for the following offices are eligible to apply for Clean Elections funding.

Election Funding	Governor	Secretary of State	Attorney General	Treasurer	Supt. of Public Instruction	Corporation Commission	Mine Inspector	Legislature
Primary	\$839,704	\$217,589	\$217,589	\$108,779	\$108,779	\$108,779	\$54,405	\$16,995
General	\$1,259,556	\$326,384	\$326,384	\$163,169	\$163,169	\$163,169	\$81,608	\$25,493
Independents	\$1,469,482	\$380,781	\$380,781	\$190,364	\$190,364	\$190,364	\$95,209	\$29,742

Important Dates

EVENT	EVENT
Primary Election: August 28, 2018	Candidate Statement Pamphlet Submission Deadlines:
Primary Early Voting Begins: August 1 2018	Primary CSP: June 8, 2018
General Election: November 6, 2018	General CSP: September 4, 2018
General Early Voting Begins: October 10, 2018	Qualifying Period Begins: August 1, 2017
Candidate Nomination Petitions:	Qualifying Period Ends: August 21, 2018
First day to file: April 30, 2018	Deadline to Submit
Last day to file: May 30, 2018 at 5:00 p.m.	\$5 Qualifying Contributions: August 28, 2018

Campaign Finance Reporting Dates

NAME OF REPORT	TIME PERIOD COVERED IN REPORT	REPORT FILED WITH SECRETARY OF STATE
2017 Cumulative Report	January 1, 2017 to December 31, 2017	January 1, 2018 to January 15, 2018
2018 1st Quarter Report	January 1, 2018 to March 31, 2018	April 1, 2018 to April 15, 2018
2018 2nd Quarter Report	April 1st, 2018 to June 30th, 2018	July 1, 2018 to July 15, 2018
2018 August Pre-Election Report	July 1, 2018 to August 11, 2018	August 12, 2018 to August 18, 2018
Qualifying Period Recap Report***	August 11, 2018 to August 21, 2018	August 22, 2018 to August 26, 2018
Primary Recap Report***	August 22, 2018 to August 28, 2018	August 29, 2018 to September 2, 2018
2018 3rd Quarter Report	August 12, 2018 to September 30, 2018	October 1, 2018 to October 15, 2018
2018 October Pre-Election Report	October 1, 2018 to October 20, 2018	October 21, 2018 to October 27, 2018
General Recap Report***	October 21, 2018 to November 6, 2018	November 7, 2018 to November 11, 2018
2018 4th Quarter Report	October 21, 2018 to December 31, 2018	January 1, 2019 to January 15, 2019

***Denotes reports that only participating candidates will file.



elcome to Arizona's Citizens Clean Elections Commission Guide for the 2017-2018 election cycle.

The Citizens Clean Elections Act (Act) is a campaign finance reform measure that was initiated by Arizona citizens and passed by voters in 1998. The Act created a non-partisan commission to provide voter education and oversee the administration and enforcement of campaign finance laws. It also created Clean Elections funding which allows statewide and legislative candidates, who forgo PAC and other large dollar contributions in favor of \$5 contributions from Arizona voters, to run for office.

This guide is intended solely as a reference. Every effort has been made to present accurate and reliable information, however, information contained in this guide may change periodically. Please take note that the information contained herein should not be considered as having the same weight and authority as Arizona Revised Statutes, Arizona Administrative Code, established court decisions and Attorney General Opinions.

In the event any information conflicts, this guide is not controlling and users must instead follow relevant legal authority. The information contained in this guide is not a satisfactory substitute for legal counsel. If you believe that you or your committee could be adversely affected in any matter relating to the subject matter contained herein, you should seek the professional assistance of an attorney.

The guide is available in alternate formats. Persons who need information about the guide in alternate formats should contact the Commission.

If you have questions, please do not hesitate to contact us at 602-364-3477 (toll free at 1-877-631-8891), or e-mail us at ccec@azcleelections.gov. We look forward to working with you.

Commissioners

Steven M. Titla, Chairman (D)

Damien R. Meyer (D)

Mark Kimble (I)

Galen D. Paton (R)

Amy B. Chan (R)

Table of Contents

Quick Facts.....	i
Important Dates	ii
Welcome.....	iii
1 Chapter 1 Becoming a Statewide or Legislative Candidate.....	1
2 Chapter 2 Clean Elections Funding.....	4
3 Chapter 3 Campaign Finance Activity and Reporting Requirements.....	14
4 Chapter 4 Voter Education.....	25
5 Chapter 5 Non-Participating Candidate Contribution Limits and Reports.....	27
6 Chapter 6 Independent Expenditures.....	28
7 Chapter 7 Enforcement Matters, Complaints & Audits.....	30
Cited Statutes.....	33
Staff Contact Information.....	34

1 Becoming a Statewide or Legislative Candidate



How to Become a Statewide or Legislative Candidate

Statement of Organization^{1,2}

All individuals must file a statement of organization with the Secretary of State if the individual has received contributions or made expenditures, in any combination, of at least \$1,100. Statewide and legislative candidates can file the Statement of Organization with the Secretary of State's Office electronically through the online campaign finance reporting system available at: <https://apps.azsos.gov/apps/election/cfs/filing/Login.aspx>. The individuals must file a Statement of Organization within ten days of reaching the \$1,100 threshold. The Commission recommends individuals considering participation in the clean elections program file a Statement of Organization before:

- Making any expenditures;
- Accepting any contributions;
- Distributing any campaign literature; or
- Circulating any petitions.

The Statement of Organization must be filed with the Secretary of State's office and must include the following:

1. The name, address, email address and type of committee. To become a participating candidate, select "Candidate (Participating)."
2. The names, addresses, telephone numbers, occupations and employers of the chairman and treasurer of the committee. It is permissible for a candidate to be the chairman and treasurer of his/her own campaign committee.
3. Name of the banking institution used by the committee.
4. The name, address, office sought and party affiliation of the candidate. Candidates for the Legislature must indicate in which district they are running.
5. Signatures for the candidate, chairman and treasurer are required (electronic and typed signatures are sufficient) A candidate must sign in all three designated places if a candidate is acting as his/her own chairman and treasurer.

Application for Certification as a Participating Candidate³

Candidates that wish to participate in the Clean Elections program must file an "Application for Certification as a Participating Candidate" with the Secretary of State's office before the end of the qualifying period, August 21, 2018. The form is available through the campaign finance reporting system <https://apps.azsos.gov/apps/election/cfs/filing/Login.aspx>. The Secretary of State's office will forward a copy of the completed application to the Commission.

A candidate may also be required to file a campaign finance report disclosing all contributions and expenditures at the time of filing the application. Contributions cannot exceed \$160 per individual. Contributions from PACs, labor unions, businesses, political parties or corporations are prohibited.

Important Notice

Pursuant to A.R.S. §§16-941, -948 and A.A.C. R2-20-114, participating candidates shall conduct all campaign finance activity through a single designated campaign bank account. Participating candidates shall not deposit any funds into the campaign bank account other than those permitted by A.R.S. §§16-945 and -946. All withdrawals from the campaign bank account must be for direct campaign expenditures only, pursuant to A.R.S. §§16-948, -953, A.A.C. R2-20-702 and -703.

Chapter 1

Refunds of all contributions in excess of the contribution limit or from PACs, labor unions, businesses, political parties and corporations must be made prior to the filing of the Application for Certification and any necessary campaign finance reports.

A candidate is not eligible to become a participating candidate if the campaign committee has spent contributions exceeding the aggregate early contribution limit or in excess of the personal contribution limit⁵:

Candidate Type	Early Contribution Limit	Personal Contribution Limit
Governor	\$58,810	\$1,460
Secretary of State	\$55,630	\$1,460
Attorney General	\$55,630	\$1,460
Treasurer	\$27,811	\$1,460
Supt. of Public Instruction	\$27,811	\$1,460
Corporation Commission	\$27,811	\$1,460
Mine Inspector	\$13,909	\$1,460
Legislature	\$4,345	\$740

The Commission will approve or deny the candidate application within seven calendar days and will notify the candidate by e-mail. Once certified, the candidate is held to all laws and rules governing participating candidates.

Participating Candidate Training Workshops⁴

*A participating candidate must attend at least one Commission sponsored candidate training class **within 60 days** of being certified or within 60 days of the beginning of the qualifying period if the candidate is certified before the beginning of the qualifying period. If the candidate is unable to attend a training class, the candidate shall:*

- Notify the Commission that the candidate is unable to attend a training class. The Commission then will send that person the Commission training materials; and
- The candidate shall sign and send to the Commission a statement certifying that he or she has received and reviewed the Commission training materials.

The training schedule can be found on the Commission website at www.azcanelections.gov.

Non-participating candidates and members of the public are welcome to attend a Commission sponsored training workshop.

If a participating candidate fails to attend a Commission sponsored workshop, the candidate is subject to an enforcement matter and possible fine up to \$1,000 for a legislative candidate and \$5,000 for a statewide candidate⁶.

Nomination Petitions & Papers (Filed April 30, 2018 - May 30, 2018)^{7,8}

A participating candidate must either be an Independent candidate or meet the following criteria:

- Must have filed nominating papers and nominating petitions with signatures in the primary election of a political party entitled to continued representation on the official ballot; or
- Must be a party nominee of a political party recognized on the official general election ballot.

Participating Candidates May File Prior to April 30, 2018⁹

Any time after January 1, 2018, a participating candidate who is ready to apply for funding may file his or her nominating petitions and signatures early, instead of waiting until April 30, 2018. The nominating petitions and signatures must be filed with the Secretary of State's office at the same time the candidate submits his or her \$5 qualifying contributions. A candidate may continue to supplement the number of petition signatures required, but may only submit an application for funding once.

Resign to Run Law¹⁰

The resign to run law applies to incumbent elected officers who seek election to any public office other than the office the incumbent is currently holding. If an elected official wishes to declare his or her candidacy anytime before the final year of the term being held, the officeholder must first resign his or her office. An incumbent shall be deemed to have offered himself for nomination or election on the filing of a nomination paper pursuant to A.R.S. §16-311(A). An incumbent is not deemed to have offered himself for nomination or election to an office by making a formal declaration of candidacy for the office.

Withdrawing from Clean Elections Program¹¹

A candidate who has been certified as a participating candidate may withdraw from participation. However, a candidate may not withdraw from participation once he or she has been approved for funding. If a candidate wishes to withdraw from participation, the candidate shall:

- Send written communication to the Commission stating the candidate's intent to withdraw and the reason for the withdrawal.
- Not accept any private monies in excess of the Clean Elections contribution limits until the withdrawal is approved by the Commission.

The Commission shall act on the withdrawal request within seven days, or the withdrawal is automatic.

A candidate whose withdrawal has been approved shall:

- Make his or her best efforts to return all \$5 qualifying contributions to the contributors; or
- If the candidate has the contributor's written authorization, the candidate may use the \$5 qualifying contribution as a campaign contribution; or
- If contributors cannot be contacted, the \$5 qualifying contributions shall be sent to the Commission.

2

Clean Elections Funding



Qualifying Period^{12,3}

Candidates collect \$5 qualifying contributions during the qualifying period. Candidates must obtain a minimum number of qualifying contributions before the end of this period in order to apply for funding. The qualifying period begins August 1, 2017 and ends August 21, 2018. Candidates may not solicit \$5 qualifying contributions prior to August 1, 2017.

Qualifying Contributions¹³

For the 2018 election cycle, the minimum number of \$5 qualifying contributions a candidate must receive is:

Governor	Secretary of State	Attorney General	Treasurer	Supt. of Public Instruction	Corporation Commission	Mine Inspector	Legislature
4,000	2,500	2,500	1,500	1,500	1,500	500	200

To ensure that a candidate has a sufficient number of valid \$5 qualifying contributions, the Commission recommends that a candidate collect at least 20% more qualifying contributions than the minimum number required:

Governor	Secretary of State	Attorney General	Treasurer	Supt. of Public Instruction	Corporation Commission	Mine Inspector	Legislature
4,800	3,000	3,000	1,800	1,800	1,800	600	240

Qualifying Contributions must be:

- The sum of \$5, exactly. A married couple may contribute a \$10 check, only if **BOTH** spouses sign the check and complete separate qualifying contribution forms;
- Made by a qualified elector ("contributor") - a person who is properly registered to vote in the district of the office the candidate is seeking;
- Received from a contributor who has not given another qualifying contribution to the same candidate during that election cycle;
- Received from a contributor who has not been given anything of value in exchange for the qualifying contribution;
- Received unsolicited or solicited from a person who is not employed or retained by the candidate and who is not compensated by or on behalf of the candidate to collect the qualifying contribution;
- If made by check or money order, made payable to the candidate's campaign committee, or if made in cash, deposited in the candidate's campaign committee's bank account.

An individual may give a \$5 dollar qualifying contribution, a \$160 early contribution, as well as sign a nomination petition on behalf of the same candidate.

Any expense incurred as a result of collecting \$5 qualifying contributions is considered to be a direct campaign expense and must be paid for out of the candidate's campaign bank account.

Qualifying Contribution Form^{13,12}

Each \$5 qualifying contribution must be accompanied by a qualifying contribution form. The Commission has developed a 3-part form that is available free to participating candidates. The Commission will provide up to each participating candidate up to 20% more forms than the minimum required for office the candidate is seeking.

The candidate may also develop his or her own \$5 qualifying contribution form. *This form must be submitted to the Commission for approval prior to use.* The form must include the name of the candidate; name, address, and original signature of the contributor; date of contribution; and the name and original signature of the solicitor.

REMINDER-FORMS ARE VERIFIED¹²

Forms will be disqualified if:

- They are unsigned
- They are undated or incorrectly dated
- The contributor is not registered to vote on the date the form is signed
- The contributor is not registered to vote in the district on the date the form is signed
- The original signature is not submitted to the Secretary of State's office

Solicitation of the \$5 Qualifying Contributions^{12,13}

The solicitor is a volunteer who collects \$5 qualifying contributions on behalf of the candidate. A solicitor must be eligible to be registered to vote in Arizona. A resident of the state is qualified to register to vote if the individual:

- Is a citizen of the United States;
- Is eighteen years of age or more on or before the date of the regular general election next following registration;
- Has been a resident of the state 29 days preceding the next election;
- Is able to write his or her name or make a mark, unless prevented from doing so by physical disability;
- Has not been convicted of treason or a felony, unless restored to civil rights;
- Has not been adjudicated an incapacitated person.

The solicitor can be the candidate, the contributor or a volunteer. The solicitor MAY NOT be compensated to collect \$5 qualifying contributions unlike petition circulators.

On the \$5 qualifying contribution form, the solicitor must provide the following information:

- Solicitor's name;
- Residential address; and
- Signature.

Voter Registration

Candidates or solicitors may register an individual to vote at the time they receive a qualifying contribution. Voter registration forms are available from the Secretary of State's office or the County Recorder's office.

Chapter 2

Unsolicited \$5 Qualifying Contributions¹³

Candidates may receive qualifying contributions unsolicited. If an unsolicited contribution is received, the candidate shall be accountable for all of the responsibilities of a solicitor. The accuracy of the information and signature on the form should be verified before the form is submitted to the Secretary of State's office.

The E-Qual System^{12,14}

The Arizona Secretary of State's E-Qual system allows registered voters to securely sign a candidate's nomination petition and/or contribute a \$5 Qualifying Contribution to a participating candidate. Participating candidates for statewide or legislative office may create an electronic \$5 Qualifying Contribution Form to collect \$5 contributions from voters. A candidate may collect 100% of qualifying contributions utilizing the E-Qual system.

- A candidate can access the E-Qual system through the Secretary of State's Candidate Portal to create and manage his/her nomination petition or \$5 Qualifying Contribution Form.
<https://apps.azsos.gov/apps/election/candidateportal/>
- Candidates will need to set up a PayPal account in order to collect \$5 Qualifying Contributions.
- Candidates should refer to the E-Qual User Manual when establishing the campaign's PayPal account.
<http://www.azcleelections.gov/CmsItem/File/35>

Governor	Secretary of State	Attorney General	Treasurer	Supt. of Public Instruction	Corporation Commission	Mine Inspector	Legislature
4,000	2,500	2,500	1,500	1,500	1,500	500	200

Excess \$5 Qualifying Contributions¹¹

If a candidate receives \$5 qualifying contributions after the candidate applies for funding, the candidate has three options to dispose of the monies:

- The candidate may return the \$5 qualifying contribution to the contributor; or
- The candidate may ask the contributor's permission to keep the \$5 as an early contribution, provided that the contributor has not already reached the \$160 early contribution limit and the candidate has not already reached the aggregate contribution limit; or
- The candidate may send the \$5 qualifying contribution to the Commission. Prior to submitting the excess \$5 qualifying contribution, the candidate must first deposit the check(s) into their campaign account and then write one check to the Commission.

E-Qual Overage¹²

Candidates who collect \$5 qualifying contributions through the E-Qual system might accumulate excess fund in their bank account due to a non-refundable transaction fee assessed by PayPal. If excess funds are accumulated they must be given to the Commission and reported on the candidate's campaign finance report as a transaction fee.

Contribution Prohibitions¹⁵

A lobbyist may not give a contribution to a Legislator or the Governor when the Legislature is in regular session. In addition, lobbyists may not solicit contributions on behalf of a Legislator or the Governor when the Legislature is in regular session.

Reporting the \$5 Qualifying Contributions⁸

All \$5 qualifying contributions are to be reported in the Secretary of State's campaign finance reporting system. The \$5 qualifying contributions will appear on the campaign finance reports for the reporting periods in which they are received. Candidates will not be able to apply for funding unless the contributions are entered into the system. The following information is required when entering \$5 qualifying forms into the campaign finance reporting system:

- The date the contribution was received;
- The contributor's full name (as it appears on their voter registration); and
- The county in which the contributor is registered to vote.

Remember to sort the \$5 qualifying contributions by county for the funding application.

The screenshot displays the campaign finance reporting system interface. At the top, there are tabs for 'Income', 'Expenses', 'Loans', 'Accounts & Transactions', 'Reports', and 'Filer Account Mgmt'. The 'Contributions' menu is open, showing options: 'Individual Contributions', 'Candidate or Family Contributions', 'Committee Contributions', 'CCEC \$5 Qualifying Contributions' (highlighted), 'Receive CCEC Funding', 'Aggregate Contributions less than \$50', and 'In-Kind Contributions'.

Below the menu, the 'CCEC \$5 Qualifying Contributions' form is visible. It has a table with the following columns: 'Date', 'First Name', 'Middle', 'Last Name', 'Suffix', and 'County'. The 'Date' column includes a calendar icon. The 'County' column has a dropdown menu with '-Select county-'. There are 10 rows for data entry. At the bottom, there are buttons for 'Submit', 'Submit & Enter Another', 'Reset', and 'Cancel'.

Date	First Name	Middle	Last Name	Suffix	County
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	-Select county-
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	-Select county-
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	-Select county-
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	-Select county-
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	-Select county-
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	-Select county-
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	-Select county-
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	-Select county-
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	-Select county-
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	-Select county-

Buttons: Submit, Submit & Enter Another, Reset, Cancel

Chapter 2

APPLYING AND QUALIFYING FOR FUNDING^{3,12}

Once a candidate has collected the required number of \$5 qualifying contributions, the candidate may apply for Clean Elections funding through the Secretary of State's office **no later than August 28, 2018**. *The Secretary of State's Office requires participating candidates to electronically file the Application to Receive Funds. Please contact the Secretary of State's Office with questions regarding the electronic filing procedures.*

How to Apply for Funding^{8,12}

To apply for funding, the candidate must file the following with the Secretary of State's office:

- Participating Candidate's Application to Receive Funds, list of \$5 qualifying contributions collected through the E-Qual system and Qualifying Contributions Report. This form is available through the campaign finance reporting system, <https://apps.azsos.gov/apps/election/cfs/filing/Login.aspx>
- Original qualifying contribution forms sorted by county.
- A check from the candidate's campaign bank account for the total amount of the \$5 qualifying contributions being submitted, made payable to the "Clean Elections Fund."

(NOTE: Once \$5 qualifying contributions have been remitted to the Clean Elections Fund, the qualifying contributions will not be returned to the candidate for any reason.)

The Reallocation Option (one-party-dominant district)¹⁶

A legislative candidate who is a member of the dominant party in a one-party-dominant district may choose to reallocate a portion of funds from the general election period to the primary election period. A one-party-dominant district is a legislative district in which one political party exceeds every other political party in voter registration by 10% or more. The Commission determines one-party-dominant legislative districts on or before March 31st of an election year.

A candidate who chooses to reallocate must indicate "YES" in the appropriate box on the candidate's Application to Receive Funds and Qualifying Contributions Report. Once a candidate has been notified that he or she has been approved for funding, the candidate may not reverse the reallocation.

ONE-PARTY-DOMINANT DISTRICT REALLOCATION FUNDING

Primary Election \$25,493

General Election \$16,995

If a candidate wishes to reallocate funding and is approved for funding prior to the beginning of the primary election period (June 26, 2018), the candidate will receive two disbursements:

1. at the time they are approved (\$16,995); and
2. at the start of the primary election period (\$8,498).

After the beginning of the primary period, approved candidates will receive a single disbursement of \$25,493.

Primary election funds may not be used for the general election period even if the candidate chooses to reallocate funds.

Secretary of State's Verification Process^{8,12}

Once \$5 qualifying contributions are submitted, the Secretary of State's office will select a 5% random sample for candidates for statewide office and a 20% random sample for candidates for the legislature. The random sample is then sent to the county recorder of the county of the addresses specified on the selected forms. The county recorder will verify the selected forms within ten business days of receiving the random sample. The county recorder will provide a report to the Secretary of State's office identifying any disqualified forms.

Forms may be disqualified for the following reasons:

- Unsigned by the contributor;
- Undated or incorrect date; or
- Signed by a person who was not registered to vote in the electoral district of the office the candidate is seeking on the date specified on the slip.

The Secretary of State's office shall multiply the number of forms not disqualified by 20 for statewide candidates and by 5 for legislative candidates. If the result is greater than 110% of the minimum number required, the candidate will be approved for funding.

5% and 20% Random Sampling⁸

In order to produce a random sample large enough to result in certification for funding without having each qualifying contribution form checked by the appropriate county recorder, a candidate must submit at least 20% more qualifying contributions than the minimum number required.

Random Sample Procedure Examples⁸

Legislative Assumption: A candidate for a legislative seat submits 240 qualifying contributions

- Secretary of State takes 20% sample of 240, which is 48.
- If 48 of the 48 are valid, $48 \times 5 = 240$, $240/200$ is 120% which is above 110%. Therefore, funding is granted.
- If 43 of the 48 are valid, $43 \times 5 = 215$, $215/200$ is 108% which is below 110%. Therefore, all 240 \$5 qualifying contribution forms must be verified by the county recorder.

Statewide Assumption: A candidate for Superintendent of Public Instruction submits 1,800 qualifying contributions

- Secretary of State takes 5% sample of 1,800, which is 90.
- If 90 of the 90 are valid, $90 \times 20 = 1,800$, $1,800/1,500$ is 120% which is above 110%. Therefore, funding is granted.
- If 82 of the 90 are valid, $82 \times 20 = 1,640$, $1,640/1,500$ is 109% which is below 110%. Therefore, all 1,800 \$5 qualifying contribution forms must be verified by the county recorder.

Chapter 2

Supplemental Filing^{8,12}

If the result is less than 110% of the required amount, the Secretary of State's office shall submit all qualifying contribution forms to the appropriate county recorder for verification. If there is an insufficient number of valid forms after the county recorder checks all the submitted forms, the candidate may make one supplemental filing of additional \$5 qualifying contribution forms to the Secretary of State's office only if:

- The candidate files at least the minimum number of additional forms needed to qualify for funding;

The additional forms must be:

- Collected from individuals before the end of the qualifying period (August 21, 2018);
- Collected from individuals within the candidate's district who have not previously contributed a valid qualifying contribution to the candidate;
- Submitted to the Secretary of State's office before August 28, 2018.

Failure to Qualify for Funding^{8,12}

A candidate will be denied funding if:

- The candidate's random sample is less than 110%; and
- The country recorder has determined that the candidate has failed to submit the required number of valid qualifying contributions for the office sought; and
- The result of the supplemental filing is less than the required number of qualifying contributions required for the office sought.

Once denied, the candidate must start the process of collecting the qualifying contributions again. The qualifying contributions must be collected from individuals who have not previously contributed a qualifying contribution to the candidate.

- The qualifying contributions must be collected before the end of the qualifying period August 21, 2018.
- The qualifying contributions must be submitted to the Secretary of State's office before August 28, 2018.

If a candidate fails to qualify for funding in accordance with the procedures described in this chapter, the candidate's participating status is automatically terminated.

Arizona W-9 Form¹⁷

Participating candidates must submit a completed Arizona W-9 Form to the Commission in order to establish the candidate as a vendor with the State of Arizona. Clean Elections funding checks cannot be issued without first establishing the candidate as a vendor with the State of Arizona. The candidate should submit the W-9 form to the Commission at the same time he or she submits the Participating Candidate's Application to Receive Funds to the Secretary of State's Office.

Primary Election Funding^{9,18}

When a candidate qualifies for Clean Elections funding, the Commission shall provide the candidate with funding equal to the original primary election spending limit. Primary election funds must be directed at the primary election.

Participating candidates must return to the Commission any unspent monies at the end of the primary election period and may **NOT** carry excess primary election funding over to the general election period.

The Secretary of State's office will notify Commission staff once a candidate has been approved for funding. Commission staff will notify the candidate when his or her check is available for pick up or delivery.

General Election Funding^{9,18}

If a Participating candidate advances to the general election, the Commission will provide the candidate with funding equal to the general election spending limit at the start of the general election period (August 29, 2018).

The candidate may **NOT** carry any excess primary election funding over to the general election period. Participating candidates must return any excess primary funding to the Commission within five days of the primary election.

General election funding is typically available on the next business day after the general election period begins. However, the Arizona Department of Administration (ADOA) processes the checks and the Commission has no control over ADOA timelines.

The table below details the funding that qualified participating candidates will receive for each election.

The One-Party Dominant District Reallocation Option¹⁶

A *legislative candidate* who chose the reallocation option, will receive funding equal to the original primary election spending limit of \$16,995 for the general election.

Election Funding	Governor	Secretary of State	Attorney General	Treasurer	Supt. of Public Instruction	Corporation Commission	Mine Inspector	Legislature
Primary	\$839,704	\$217,589	\$217,589	\$108,779	\$108,779	\$108,779	\$54,405	\$16,995
General	\$1,259,556	\$326,384	\$326,384	\$163,169	\$163,169	\$163,169	\$81,608	\$25,493
Independents	\$1,469,482	\$380,781	\$380,781	\$190,364	\$190,364	\$190,364	\$95,209	\$29,742

Unopposed Primary or General Funding^{9,18}

A participating candidate who is unopposed will **NOT** receive full funding from the Commission. The candidate will receive \$5 multiplied by the number of qualifying contributions that the candidate submitted to the Secretary of State.

A candidate will be considered unopposed if the candidate is not opposed in his or her party's primary, the primary of any other party, or by an independent candidate.

Chapter 2

Return of Unspent Primary and General Monies^{19,20}

Participating candidates must return to the Commission all unspent monies in the candidate's campaign bank account within 5 days of the primary election and 30 days after the general election. Funds to reconcile any uncontested and unpaid bills may be held longer (30 days after for the primary election), after notifying the Commission. Any monies in a candidate's campaign account after payment of bills shall be returned promptly to the Commission.

Participating candidates are **NOT** permitted to carry primary funding forward to the general election period and must return all unspent monies in their campaign bank account regardless of winning their primary. Participating candidates are required to file a "Primary Recap Report" for the period ending August 28th, 2018 including any unspent monies returned to the Commission. The Primary Recap Report and return of primary funding are due September 2, 2018. Participating candidates are required to file a "2018 4th Quarter Report" for the period ending December 31, 2018 including any unspent monies returned to the Commission. The campaign finance report and return of unspent funds is due January 15, 2019.

Reporting Return of Unspent Primary or General Monies

After the primary and general elections, participating candidates must report the return of unspent monies in the Secretary of State's campaign finance reporting system.

The screenshot displays the 'Expenses' menu in the campaign finance reporting system. The menu options are: Immediate Cash/Check Expenditure, Purchase on Terms/Credit, Pay on Terms/Credit, Add Sub-Vendor to Transaction, Expend In-Kind Contribution, Submit \$5 Qualifying Contributions to SOS, Pay Another Committee for Shared Expense, and Give a Refund. The 'Give a Refund' option is selected, opening a form with the following fields: Refund Date (with a calendar icon), Original Transaction (with a 'Choose Transaction' button), Amount Refunded (with a red asterisk), Check #, and Memo. At the bottom of the form are buttons for 'Submit', 'Submit & Enter Another', 'Reset', and 'Cancel'. To the right of the form, a sidebar shows a hierarchy of 'Contributions' and 'In-Kind Contribution' with a list of options: Individual, Candidate and Family, From Committee, CCEC \$5 Qualifying Contribution, CCEC Funding (highlighted), and Less than \$50.

Terminating the Committee^{21,22}

A candidate may terminate the campaign committee by filing a termination statement with the Secretary of State's office. If a candidate does not advance to the general election, the candidate may terminate his or her campaign committee after the primary election. The candidate and treasurer must sign the termination statement and certify that the committee will no longer receive any contributions or make any disbursements, that the committee has no outstanding debts or obligations, and that any surplus monies have been disposed of properly. The Secretary of State's office requires the committee to file a campaign finance report showing a zero account balance before the committee can officially be terminated.

Important Notice:

Please be aware that terminated committees may still be contacted for campaign finance amendments and failure to comply may result in enforcement actions, regardless of committee status

Independent Candidates^{9,18,23}

An Independent candidate is a candidate who:

- Is registered as an Independent or with no party preference or who is registered with a political party that is not qualified for representation on the ballot, and
- Has properly filed nominating papers and nominating petitions with signatures.

Once an Independent participating candidate qualifies for Clean Elections funding, the candidate receives 70% of the sum of the original primary election spending limit and the original general election spending limit. The candidate will receive a single disbursement to be spent in both the primary and general elections.

Election Funding	Governor	Secretary of State	Attorney General	Treasurer	Supt. of Public Instruction	Corporation Commission	Mine Inspector	Legislature
Independents	\$1,469,482	\$380,781	\$380,781	\$190,364	\$190,364	\$190,364	\$95,209	\$29,742

Failure to Qualify for the Ballot²⁰

If a candidate receives funding from the Commission but fails to qualify for the primary ballot, the candidate must:

- Return to the Fund all monies in the candidate's campaign bank account above the amount sufficient to pay any unpaid bills for expenditures made before the date the candidate failed to qualify for the primary ballot
- Return to the Commission, within fourteen days of the date the candidate failed to qualify for the primary ballot, all remaining assets purchased with clean election funding in that election cycle, including political signs
- Repay any monies paid to a family member unless the participating candidate demonstrates that the payment made was for goods or services actually provided before disqualification of the candidate and the payment was for fair market value.

3 Campaign Finance Activity and Reporting Requirements



Important Notice

Pursuant to A.R.S. §§16-941, -948 and A.A.C. R2-20-114, participating candidates shall conduct all campaign finance activity through a single designated campaign bank account. Participating candidates shall not deposit any funds into the campaign bank account other than those permitted by A.R.S. §§16-945 and -946. All withdrawals from the campaign bank account must be for direct campaign expenditures only, pursuant to A.R.S. §§16-948, -953, and A.A.C. R2-20-702 and -703.

Definition of Contribution²⁴

“Contribution” means any gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing an election. This includes:

- A contribution that is made to retire campaign debt from a previous election cycle.
- Money or fair market value of anything that is directly or indirectly provided to an elected official for the specific purpose of defraying the expense of communications with constituents.
- The full purchase price of any item from a committee.
- A loan that is made to a committee for the purpose of influencing an election, to the extent the loan remains outstanding

In-Kind Contribution²⁴

“In-Kind Contribution” means a provision of goods or services or anything of value that is not a monetary contribution. Participating candidates may accept in-kind contributions only from individuals and are limited to \$160 in value. An individual may give a participating candidate an in-kind contribution and a monetary contribution. However, the combined total given to the candidate may not exceed \$160. The candidate may also give in-kind contributions to his or her campaign provided that they, combined with any personal monies, do not exceed \$740 for a candidate for the legislature, or \$1,460 for a candidate for statewide office. In-kind contributions must be assessed at a fair market value and must be included in campaign finance reports. It is the responsibility of the candidate to assess the fair market value.

Early Individual Contributions (Seed Money)^{4,25}

Participating candidates may raise a limited number of private individual contributions which are called early contributions. Early individual contributions have a limit of \$160 from each individual. Early contributions may be raised and spent through the end of the qualifying period August 21, 2018. Any early contributions not spent by the end of the qualifying period shall be sent to the Commission.

	Governor	Secretary of State	Attorney General	Treasurer	Supt. of Public Instruction	Corporation Commission	Mine Inspector	Legislature
Early Individual Contribution Aggregate Limit	\$58,810	\$55,630	\$55,630	\$27,811	\$27,811	\$27,811	\$13,909	\$4,345

All contributions other than in-kind contributions and qualifying contributions must be:

- Made by a check drawn on the account of the actual contributor; or
- Made by a money order or a cashier's check containing the name of the actual contributor; or
- Evidenced by a written receipt, with a copy of the receipt given to the contributor and a copy maintained in the records of the candidate.

Personal Money and Family Contributions^{24,26}

Participating candidates may contribute personal funds up to a maximum amount of \$740 for candidates for the legislature and \$1,460 for candidates for statewide offices. The personal contribution limit includes contributions received from certain family members.

Personal and family contributions are in addition to early individual contributions. All personal and family monies shall be raised and spent through August 21, 2018.

Monies given to a candidate by certain family members count toward the candidate's personal money limit. A family member may only contribute \$160 whether it be monetary, in-kind, or as a loan. A family member includes a parent, grandparent, spouse, child or sibling of the candidate as well as the parent or spouse of any of those persons previously mentioned. If one of the aforementioned family members gives a contribution to a candidate, the contribution counts towards the applicable personal contribution limit. Any unspent personal and family monies shall be returned to the contributors at the end of the qualifying period.

Important Notice

If a candidate hires a family member to work on the campaign or hires a family member's business for the campaign services, the family member must be identified on the campaign finance report as "family member".

How to Report

Contributions Reported in a Campaign Finance Report^{24,27}

A campaign finance report must include all contributions accepted by the committee through the end of the reporting period. Each contribution shall include the name, address, occupation and employer of the contributor. Contributions of \$50 or less may be aggregated.

Reporting Early Contributions

Candidates will report early individual contributions in the Secretary of State's campaign finance reporting system. The candidate must report all early contributions accepted by the committee through the end of the qualifying period. Each contribution shall include the name, address, occupation and employer of the contributor. Contributions of \$50 or less may be aggregated.

The screenshot displays the 'Reports' tab in a campaign finance reporting system. The 'Reports' menu is open, showing options: Individual Contributions, Candidate or Family Contributions, Committee Contributions, CCEC \$5 Qualifying Contributions, Receive CCEC Funding, Aggregate Contributions less than \$50, and In-Kind Contributions. Below this, a form for entering a contribution is visible. The form includes fields for Contribution Date, Contributor Name (with a 'Select Name' button), Contribution Amount, Check #, Receipt #, Deposit batch #, Event, Event Date, and Memo. At the bottom are buttons for Submit, Submit & Enter Another, Reset, and Cancel.

Chapter 3

Reporting In-Kind Contributions

A candidate must report in-kind contributions in the Secretary of State's campaign finance reporting system.

The screenshot displays the 'Reports' tab in the campaign finance reporting system. The 'In-Kind Contributions' menu item is selected, showing a sub-menu with 'Candidate/Family In-Kind Contributions', 'Individual In-Kind Contributions', and 'Committee In-Kind Contributions'. The 'Candidate/Family In-Kind Contributions' option is highlighted. Below the menu, a form is visible with the following fields: 'Contribution Date' (calendar icon), 'Contributor Name' (dropdown with 'Select Name' button), 'Value of Goods or Services' (text input), 'Memo' (text input), and 'Receipt #' (text input). At the bottom of the form are buttons for 'Submit', 'Submit & Enter Another', 'Reset', and 'Cancel'.

Reporting Personal and Family Contributions

A candidate must report personal and family contributions in the Secretary of State's campaign finance reporting system.

The screenshot displays the 'Reports' tab in the campaign finance reporting system. The 'Candidate or Family Contributions' menu item is selected, showing a sub-menu with 'Individual Contributions', 'Candidate or Family Contributions', 'Committee Contributions', 'CCEC \$5 Qualifying Contributions', 'Receive CCEC Funding', 'Aggregate Contributions less than \$50', and 'In-Kind Contributions'. The 'Candidate or Family Contributions' option is highlighted. Below the menu, a form is visible with the following fields: 'Contribution Date' (calendar icon), 'Contributor Name' (dropdown with 'Select Name' button), 'Contribution Amount' (text input), 'Check #' (text input), 'Receipt #' (text input), 'Deposit batch #' (text input), and 'Memo' (text input). At the bottom of the form are buttons for 'Submit', 'Submit & Enter Another', 'Reset', and 'Cancel'.

Loans^{4,24}

Money a candidate loans to his or her campaign is a personal money contribution until repaid. Personal monies, including loans, may not exceed \$740 for a candidate for the Legislature and \$1,460 for a candidate for statewide office. Therefore, loans count towards all limits even though a candidate may intend to repay the loan. Money that an individual other than a candidate loans to a campaign is an individual contribution until repaid. Individual contributions, including loans, may not exceed \$160 per individual.

In general, participating candidates are prohibited from incurring obligations greater than their capacity to pay from campaign funds (i.e. incurring debt). However, certain loans and extensions of credit are permissible for participating and traditional candidates.

1. **Loans of Personal Monies from the Candidate** - A candidate may loan personal monies to his or her own campaign. Personal monies are defined to include the proceeds from a bank loan issued to a candidate in his or her personal capacity. Until repaid, such a loan is treated as a contribution to the campaign. Like all contributions from the candidate, such a loan is subject to the personal monies contributions limit of \$720 (for candidates for the Legislature) \$1,420 (for candidates for statewide office). **All loans must be repaid within seven days of receiving Clean Elections funds.**

2. **Loans from Individuals other than the Candidate** - Individuals other than the candidate may loan monies to a campaign. Until repaid, such a loan is treated as a contribution to the campaign. Like all contributions from individuals other than the candidate, such a loan is subject to the individual contributions limit of \$160. **All loans must be repaid within seven days of receiving Clean Elections funds.**

Contribution Prohibitions¹⁵

A lobbyist may not give a contribution to a Legislator or the Governor when the Legislature is in regular session. In addition, lobbyists may not solicit contributions on behalf of a Legislator or the Governor when the Legislature is in regular session.

Bank Interest

A candidate may keep campaign monies in an interest bearing bank account. However, participating candidates must remit any bank interest earned to the Clean Elections Fund at the end of the primary election period and at the end of the general election period. Candidates should report incurred bank interest on campaign finance reports under "income" → "interest/dividends" in the Secretary of State's campaign finance reporting system.

Excess Contributions⁴

If a candidate receives an early contribution that exceeds the contribution limit, the candidate must refund the amount in excess of the \$160 individual contribution limit. The candidate must enter the original amount received and the refunded amount in the campaign finance reporting system. The system contains a section specifically designated for refunded contributions.

Chapter 3

Contribution Exemptions^{55, 56}

Campaign Volunteers

The value of an individual's volunteer services or expenses that are incurred through volunteering are not considered campaign contributions. Volunteer services are unlimited and do not need to be reported.⁵⁶ The following are examples of volunteer expenses that may be incurred through volunteer services:

- Travel expenses
- Use of real or personal property (The value of allowing a candidate to appear and speak at any private residence or facility is not considered a campaign contribution if the venue is furnished by the venue's owner, is not paid for by a third party and is not a sports stadium, coliseum, convention center, hotel ballroom, concert hall, or other similar arena that is generally open to the public.)
- Cost of invitations, food or beverages - event expenses
- Internet activity such as the use of unpaid e-mail and social media (These are activities that do not contain or include the transmittal of a paid advertisement or paid fund-raising solicitation. *See Secretary of State's Arizona Campaign Finance: Candidate Committees*, pp. 36-37).

Political Party Exceptions

A payment by a political party to support its nominee is not a contribution. This includes payment for printing or distribution of, or postage expenses for, voter guides, sample ballots, pins, bumper stickers, handbills, brochures, posters, yard signs and other similar materials distributed through the party. This also includes expenditures that are coordinated with the party's nominee.^{55, 57}

Legal and Accounting Services

The payment of a committee's legal or accounting expenses by any person is not considered a campaign contribution.⁵⁵ For purposes of this definition, a person means an individual or candidate, nominee, committee, corporation, limited liability company, labor organization, partnership, trust, association, organization, joint venture, cooperative or unincorporated organization or association.²⁴

Expenditures^{24,28}

An “expenditure” means any purchase, payment or thing of value that is made by a person for the purpose of influencing an election. The definition of expenditure includes a contract, promise or agreement to make an expenditure resulting in an extension of credit and the value of any in-kind contribution received.

Expenditures Reported in a Campaign Finance Report

All expenditures made by the campaign committee must be reported in the period in which they are incurred. Each expenditure reported in a campaign finance report must have a description of the goods and services that were purchased:

- Expenditures for consulting, advising or other services must have a detailed description of what is included in the service.
- Reimbursements must be reported, itemized and disbursed within seven calendar days of when the expenditure was incurred.

Special note: The campaign finance reporting system provides space for inclusion of the aforementioned detail in the memo line.

Reimbursements^{29,30}

The candidate, treasurer, or designated agent with authority to spend campaign funds shall pay monies directly from the campaign bank account to the person providing the goods or services. If someone does use a personal credit card on behalf of a campaign, the expenditure is incurred when the candidate authorizes the transaction and must be reported on the subsequent campaign finance report. The candidate may not authorize an expenditure to be made by an individual that exceeds the available cash on hand. The candidate must reimburse the individual for the expenditure within seven days.

Joint Expenditures³⁰

A joint expenditure is made when two or more candidates agree to share the cost of goods or services. Candidates may make a joint expenditure on behalf of one or more other campaigns, but must be authorized in advance by the other candidates involved in the expenditure, and must be reimbursed within seven days. Each candidate shall pay a proportionate share of the costs. Participating candidates and non-participating candidates may make joint expenditures so long as each candidate pays an equal share of the expenditure.

Chapter 3

Petty Cash Expenditures^{29,30}

A candidate's campaign committee may establish one or more petty cash accounts, which in aggregate may not exceed \$1,420 at any time. No single expenditure shall be made from a petty cash account exceeding \$160. On a campaign finance report the participating candidate must identify the full name and street address of the person providing goods and services to the campaign on his or her campaign finance reports for expenditures paid for with petty cash. *This includes any payment to a sub-vendor made on behalf of the campaign.*

The participating candidate is required to maintain all receipts and records corresponding to petty cash activity. The Commission recommends that the treasurer keep a running total of all petty cash withdrawals and expenditures to ensure that the maximum of \$1,420 is not inadvertently exceeded. Petty cash accounts will be audited if the candidate is selected for a random audit.

Itemization of Expenditures³⁰

If a participating candidate purchases goods or services from a subcontractor or other vendor through an agent, the candidate's campaign finance report shall identify the full name and street address and the nature of the goods and services provided by each subcontractor or external vendor.

Name:			
Address:			
Occupation:			
Category:			
Memo:			
SubVendor:			
Address:			
Amount:			
Memo:			
SubVendor:			
Address:			
Amount:			
Memo:			

Reporting Itemized Expenditures

A participating candidate must report subcontractor or sub-vendor information in the Secretary of State's campaign finance reporting system.

The screenshot shows the 'Expenses' tab selected in the reporting system. A dropdown menu is open, showing options like 'Immediate Cash/Check Expenditure', 'Purchase on Terms/Credit', 'Pay on Terms/Credit', 'Add Sub-Vendor to Transaction' (which is highlighted), 'Expend In-Kind Contribution', 'Submit \$5 Qualifying Contributions to SOS', 'Pay Another Committee for Shared Expense', and 'Give a Refund'. A modal form is displayed over the dropdown, titled 'Original Expense:'. It contains fields for 'Subvendor Name' (with a 'Select Name' button), 'Sub Vendor Trans Date' (with a calendar icon), 'Amount apportioned to this subvendor:' (with a red asterisk), and 'Memo:'. At the bottom of the modal are buttons for 'Submit', 'Submit & Enter Another', 'Reset', and 'Cancel'.

Refund & Repayment³⁰

If a candidate receives a refund from an expenditure (for example, the candidate returned merchandise to the store), the original expenditure and the refunded amount must be reported. The campaign finance filing system includes a specific section to report refunds.

A loan repayment is **NOT** an expenditure. The campaign finance reporting system contains a specific section to enter in loan repayments. A refund of a contribution is **NOT** an expenditure. The campaign finance filing system contains a specific section to enter in contribution refunds.

Name:	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Address:	[REDACTED]			
Trans. Type:	[REDACTED]	[REDACTED]	Cash	[REDACTED]
Memo:	refund			
Original Date:	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Original Amount:	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Recordkeeping Requirements^{31,32}

Candidates and treasurers are required to keep and maintain books and records of accounts and transactions including, but not limited to:

- All contributions or other monies received by or on behalf of the candidate, including:
 - The identification of any individual who makes any contribution
 - The date of the contribution
 - Amount of each contribution
 - The date of the deposit into a campaign account
 - Occupation/employer information
 - Cumulative totals contributed by each individual
- The name and address of every payee to whom any expenditure is made, and the date, amount and purpose or reason for the expenditure.
- All periodic bank statements or other statements for the campaign account.
- All activity related to petty cash accounts.
- Ensure all contributions other than in-kind contributions and qualifying contributions are evidenced by a written record in the form of:
 - A check drawn on the account of the actual contributor;
 - A money order or cashier's check containing the name of the actual contributor; or
 - A written receipt with a copy of the receipt given to the contributor and a copy maintained in the records of the candidate.
- Preserve all records and copies of all finance reports for two years after the election.
- Ensure all records are maintained at a single location within the state and available for inspection: by the Commission during regular business hours; available for public inspection either by immediate disclosure through electronic means or at the candidate's campaign headquarters; available upon request by the Attorney general, the county, city or town attorney or the filing officer.

Chapter 3

Campaign Finance Reports for Participating candidates^{30,33,34}

Participating candidates are required to file timely campaign finance reports. Late reports are subject to a Commission penalty of \$160 a day for legislative candidates and \$450 a day for statewide candidates.

Each campaign finance report must include (but not limited to):

- The amount of cash on hand at the beginning of the reporting period;
- The total amounts of contributions from individuals, other committees, loans, in-kind contributions, dividends, interest, rebates, and refunds.
- The total amounts of disbursements and itemized lists of disbursements such as: expenditures, refunds of contributions, repayments of loans, and transfers to other committees.

CAMPAIGN FINANCE REPORTING DATES		
NAME OF REPORT	TIME PERIOD COVERED IN REPORT	REPORT FILED WITH SECRETARY OF STATE
2017 Cumulative Report	January 1, 2017 to December 31, 2017	January 1, 2018 to January 15, 2018
2018 1st Quarter Report	January 1, 2018 to March 31, 2018	April 1, 2018 to April 15, 2018
2018 2nd Quarter Report	April 1, 2018 to June 30, 2018	July 1, 2018 to July 15, 2018
2018 August Pre-Election Report	July 1, 2018 to August 11, 2018	August 12, 2018 to August 18, 2018
Qualifying Period Recap Report***	August 11, 2018 to August 21, 2018. Unspent early contributions must be sent to the Commission	August 22, 2018 to August 26, 2018
Primary Recap Report***	August 22, 2018 to August 28, 2018. Unspent monies must be returned to the Commission within 5 days after the primary election.	August 29, 2018 to September 2, 2018
2018 3rd Quarter Report	August 12t 2018 to September 30, 2018	October 1, 2018 to October 15, 2018
2018 October Pre-Election Report	October 1, 2018 to October 20, 2018	October 21, 2018 to October 27, 2018
General Recap Report***	October 21, 2018 to November 6, 2018	November 7, 2018 to November 11, 2018
2018 4th Quarter Report	October 21, 2018 to December 31, 2018. Unspent monies must be returned to the Commission by Nov. 11, 2018	January 1, 2019 to January 15, 2019

***Denotes reports that only participating candidates will file³⁰.

Use of Clean Elections Funding^{5,20,29}

Direct Campaign Purposes^{20,23,35}

Participating candidates may only use campaign funds to pay for goods and services for direct campaign purposes. All participating candidates have the burden of proving that expenditures are for a direct campaign purpose. If the Commission determines that an expenditure was not made for direct campaign purposes, the Commission may order the candidate to repay the Fund with personal monies.

Campaign Consultants⁵⁸

A participating candidate may engage campaign consultants. A participating candidate may only advance a campaign consultant for services such as consulting, communications, field employees, canvassers, mailers, auto-dialers, telephone town halls, electronic communications and other advertising purchases and other campaign service if an itemized invoice identifying the value of the services is provided directly to that particular candidate at the time of the advance payment.

- Providing payment for such services as described in subsection (C) of this rule in the absence of an itemized invoice or advance payment for such services shall be deemed not to be a direct campaign expenditure.
- A participating candidate may advance payment for postage upon the receipt of a written estimate and so long as any balance is returned to the candidate if the advance exceeds the actual cost of postage.
- A participating candidate may advance payment for advertising that customarily requires pre-payment upon the receipt of a written estimate and so long as any balance is returned to the candidate if the advance exceeds the actual cost of the advertisement.

The Commission shall be included in the mail batch for all mailers and invitations. The Commission shall also be provided with documentation from the mail house, printer or other original source showing the number of mailers printed and the number of households to which a mailer was sent. Failure to provide this information within 7 days after the mailer has been mailed may be considered as evidence the mailer was not for direct campaign purposes.

Transportation Expenses³⁵

If a candidate travels for campaign purposes in a privately owned vehicle, the candidate may use campaign funds to reimburse the owner of the vehicle for the transportation costs. The reimbursement shall be reported as an expenditure and may not exceed 44.5 cents per mile. Transportation mileage expenditures must be reimbursed during the reporting period in which they occur AND must be reported on the candidate's campaign finance reports.

A participating candidate may make direct fuel expenditures so long as the candidate is utilizing the candidate's personally owned vehicle and keeps a travel log regarding campaign miles traveled.

If a candidate travels for campaign purposes in a privately owned airplane, the candidate shall use campaign funds to reimburse the owner of the airplane at a rate of \$150 per hour of flying time, in which event the reimbursement shall be reported as an expenditure. If the owner of the airplane is unwilling or unable to accept reimbursement, the candidate shall pay to the Commission an amount equal to \$150 per hour of flying time.

If a candidate rents a vehicle or purchases a ticket or fare on a commercial carrier for campaign purposes, the actual costs of such rental (including fuel costs), ticket or fare shall be reported as an expenditure.

Chapter 3

Mileage Reimbursement Form³⁵

If a candidate chooses to use campaign funds to reimburse, the candidate shall maintain a travel log. The travel log shall include the name and type of event(s) attended, miles traveled, and the rate at which the reimbursement was made. A candidate may choose to develop their own form or use the Commission mileage reimbursement form. The Commission mileage reimbursement form can be found at the Citizens Clean Elections Commission website:

<http://www.azcleelections.gov/docs/default-source/forms/mileage-reimbursement-form.pdf?sfvrsn=2>

Food and Beverages Expenses³⁵

Participating candidates may use campaign monies to pay for food and beverages if the expenditure is directly related to the campaign, such as refreshments provided at a fundraiser. Any payment for food and beverages made by a person for the purpose of influencing an election shall be reported as a campaign expenditure. Participating candidates are limited to making food expenditures of \$11 per person for breakfast, \$16 per person for lunch, and \$27 per person for dinner. The Commission recommends that the treasurer maintain documentation of each food expenditure and the number of people who ate, as participating candidates have the burden of proving that they have adhered to the food expenditure limits.

Use of Assets from a Prior Election³⁶

A participating candidate may use assets from a prior election cycle, such as signs, pamphlets and office equipment, only after the candidate's current campaign committee purchases the assets from the previous campaign committee. The purchase must be made for an amount equal to the fair market value of the assets which shall be at least one-fifth (1/5) the original purchase price.

Prior assets may NOT be utilized by the campaign until payment has been made.

If the candidate was a participating candidate during the prior election cycle, the payment for the assets shall be made to the Commission. If the candidate was a traditional candidate during the prior election cycle, the payment shall be made to the prior campaign. If the prior campaign account of a traditional candidate is closed, the payment shall be made to the candidate.

Disposal of Fixed Assets³⁵

Fixed assets (items that have value and function beyond the election) purchased with campaign funds that can be used for non-campaign purposes, with a value of \$200 or more, shall be submitted to the Commission no later than 14 days after the primary election or the general election if the candidate was successful in the primary. For purposes of determining whether a fixed asset is valued at \$200 or more, the calculation shall include any accessories purchased for use with the fixed asset in question.

A candidate may elect to reimburse the Commission for 80% of the original purchase price of the item instead of submitting the item to the Commission. Candidates need to retain the original sales receipt for submitting or purchasing fixed assets.

Prohibited Use of Campaign Funds^{5,20,29,35}

The following is a list of prohibited campaign expenditures. Candidates are encouraged to use discretion when spending campaign funds; this list is not all-inclusive. If you have questions, please contact Commission staff immediately.

1. Cost of legal defense in any campaign law enforcement proceeding.
2. Food and beverages for staff and volunteers exceeding \$11 for breakfast, \$16 for lunch, and \$27 for dinner.
3. Personal use, which includes:
 - Household food items or supplies;
 - Clothing, other than items of de minimis value that are used in the campaign, such as campaign “T-shirts” or caps with campaign slogans;
 - Tuition payments, other than those associated with training campaign staff;
 - Mortgage, loan, rent, lease or utility payments:
 - For any part of any personal residence of the candidate or a member of the candidate’s family; or
 - For real or personal property that is owned or leased by the candidate or a member of the candidate’s family and used for campaign purposes, to the extent the payments exceed the fair market value of the property usage;
 - Admission to a sporting event, concert, theater, or other form of entertainment, unless part of a specific campaign activity;
 - Dues, fees or gratuities at a country club, health club, recreational facility or other nonpolitical organization, unless they are part of the costs of a specific fundraising event that takes place on the organization’s premises; and
 - Gifts or donations.
4. Fixed assets with a value in excess of \$800, provided that the item is for campaign use.

AUDITS^{37,38,39,40,41,42,43}

The Commission will conduct random audits of participating legislative candidates after each primary and general election period. All participating statewide candidates will be audited after each primary and general election period. Audits shall include the review of campaign finance reports and related documentation. If a candidate is selected for an audit, the Commission will notify the candidate. The accounting firm will contact the candidate to explain the auditing process. The candidate must make all books and records available to the Commission and the accounting firm and must have personnel familiar with the records available to answer questions. The Commission contracts with an independent accounting firm to conduct all auditing work.

After completion of the fieldwork, the accounting firm prepares a written preliminary audit report. The preliminary audit report will include an evaluation of procedures and systems employed by the candidate to comply with the Act and Commission rules and the accuracy of statements and campaign finance reports filed with the Secretary of State. Upon approval of the preliminary audit report by the Commission staff, the candidate has 10 days to submit a written response.

Taking into consideration any written comments provided by the candidate, the accounting firm will provide the Commission with a final audit report. The final audit report may include the identification of issues that warrant referral for possible enforcement proceedings. At the public meeting, the Commission will vote to approve the final audit report. The candidate will be provided with the final audit report at least 24 hours before the public meeting. The Commission may conduct other examinations and audits as it deems necessary.

4 Voter Education



Debates^{6,44}

Participating candidates are required to attend Commission sponsored debates held in both the primary and general election periods. Traditional candidates are also invited and encouraged to attend. The Commission ensures the debates are carried out in a strictly nonpartisan and professional manner. Only those candidates appearing on the primary or general election ballot are eligible to participate in the Commission sponsored debates. All candidates must appear in person, not by proxy or electronically, unless to accommodate a disability. For a participating candidate who has non-participating opponents not attending the debate, the participating candidate is still required to participate in a thirty minute question and answer session. Unless exempt, if a participating candidate fails to participate in any Commission sponsored debate, the candidate can be fined \$1,000.

Request for Exemption⁴⁴

A participating candidate may request to be exempt from participating in a required debate by submitting a written request to the Commission at least one week prior to the scheduled debate. The written request must state the reason and circumstance justifying the request for exemption. The Commission will exempt a candidate from participating in a debate if at least three Commissioners determine that the circumstances are:

- Beyond the control of the candidate
- Of such nature that a reasonable person would find the failure to attend justifiable or excusable
- Of good cause, which includes illness or absence from the state at the time of the debate.

Request for an Excused Absence⁴⁴

The candidate may submit a request for reconsideration to the Commission. The candidate's request for reconsideration shall state the reason the candidate failed to participate in the debate. The statement must be submitted to the Commission no later than five business days after the date of the debate the candidate failed to attend. The Commission will forgo the \$1,000 fine if a majority determines that the circumstances align with at least one of the three circumstances mentioned above.

Exceptions to Debate Participation

- No debate will be held if there is no participating candidate in the election for the particular office and if there are no requests from a non-participating candidate for the Commission to sponsor a debate.
- Write-in candidates, Independent candidates, and those candidates with no party affiliation will not be invited to participate in the primary election debate regardless of participating status.
- Write-in candidates for the general election will not be invited to participate in the general election debate.

Candidate Compass

The Candidate Compass tool was created as a direct response to voter research. Voters have recognized a major barrier to voting is the significant time it takes to research the candidates and where they stand on the issues. Hence, the Candidate Compass asks candidates a handful of questions detailing the issues voters find most pressing. The answers require a simple yes or no answer supplemented with short reasoning if desired. Voters answer the same questions to see which candidates they aligned with based on similar responses. The Commission launched this tool in 2016 and voters responded positively, highlighting its clarity and the wish for all candidates to participate in the tool. The Commission recommends all candidates participate in the Candidate Compass as it allows them the opportunity to directly connect with voters and communicate their stances on the issues in an easily accessible and digestible format.

Candidate Statement Pamphlets^{45,46}

The candidate statement pamphlets are nonpartisan, comprehensive sources of information for Arizona voters. Before the start of early voting for each election, the Commission will produce and mail primary and general election candidate statement pamphlets to every household in Arizona that has a registered voter. Participating and traditional candidates may supply the Commission with a picture and statement for inclusion in the pamphlets. All candidates who will appear on either the primary or general election ballot may submit a statement and photograph by the deadline. The pamphlets will include the office for which the candidate is running, as well as the candidate's name, photograph, party affiliation, funding source, web address and statement.

Statements

The statements are to be no more than 200 words in length. The Commission will allow candidates to submit separate statements for the primary and general election pamphlets. If a candidate submits a statement for the primary election pamphlet and does not submit a new statement for the general election pamphlet, the statement from the primary election pamphlet will be used for the general election pamphlet. The Commission will only accept statements electronically through the Commission's website, www.azcleelections.gov. Statements that exceed the allotted 200 words will NOT be accepted. The statement word count will be verified by Microsoft Word.

Photographs

The Commission will accept digital photos only and shall be limited to headshots. A statement can be submitted without a photograph, or vice versa. Candidates can submit digital photos through the Commission's website when uploading the candidate's statement. If a candidate submits a photo for inclusion in the primary election pamphlet, the same photo will be used for the general election pamphlet. Photos for inclusion in the general election pamphlet will only be accepted from candidates who did not submit a photo for inclusion in the primary election pamphlet.

Submission Deadlines

Primary election statements and photographs shall be filed electronically no later than midnight on *June 8, 2018* for inclusion in the primary election pamphlet. General election statements and photographs shall be filed electronically no later than midnight on *September 4, 2018*. The Commission cannot accept late submissions for inclusion in the pamphlets. All statements will appear in the pamphlets exactly as they are written and may not be changed after submission. Upon request, candidates may visit the Commission's office and utilize a public computer in order to submit statements.

Independent Candidates and Voter Education^{44,46}

Only candidates who appear on the primary election ballot will be included in the primary election candidate statement pamphlet and participate in the Commission sponsored primary election debate. Independent candidates are eligible to appear in the general election candidate statement pamphlet and are required to attend the Commission sponsored general election debate.

Clean Elections Mobile Application

The Clean Elections smart device application is available for the iOS platform (Android is coming soon). The program supplies easily accessible information on candidates, ballot measures, judges & justices and voting information directly to voters. The Commission encourages candidates to submit their candidate statements and campaign information (such as website and social media links) in the candidate portal so it may be included in the application and on the Clean Elections website. In addition, candidates that utilize E-Qual can link their digital petition and \$5 contribution form to their candidate profile in the app.

5 Non-Participating Candidate Contribution Limits and Reports



Non-Participating Candidate Contribution Limits & Reports

Definition of Contribution^{24,47}

"Contribution" means any gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing an election. This includes:

- A contribution that is made to retire campaign debt from a previous election cycle.
- Money or fair market value of anything that is directly or indirectly provided to an elected official for the specific purpose of defraying the expense of communications with constituents.
- The full purchase price of any item from a committee.
- A loan that is made to a committee for the purpose of influencing an election, to the extent the loan remains outstanding

Contribution Limits^{5,47}

Non-participating candidates must adhere to the contribution limits set forth in the Clean Elections Act A.R.S. §16-941 (B). As of January 1, 2017, the limits for statewide and legislative candidates can be found in the table below.

CONTRIBUTOR	CANDIDATE COMMITTEES	
	STATEWIDE CANDIDATE	LEGISLATIVE CANDIDATE
Individual May Give	\$5,100	\$5,100
Partnership May Give	\$5,100	\$5,100
Corp., Union, LLC May Give	PROHIBITED	PROHIBITED
Political Committee (PACs) May Give	\$5,100	\$5,100
Super PACs May Give	\$10,100	\$10,100
Political Party/Party Organization May Give (using non-corporate/non-union funds)	Party Nominee Cannot Accept more than \$80,100	Party Nominee Cannot Accept more than \$8,100

Any non-participating candidate, who accepts a contribution other than those permitted by A.R.S. §16-941(B), is subject to the civil penalties set forth in the Act and enforced by the Commission.

Campaign Finance Reports³³

Non-Participating candidates must file campaign finance reports in accordance with A.R.S. §§16-926 and -927. Candidate reporting dates can be found on page 22 of this guide, the Clean Elections Commission website, and the Secretary of State's website.

6 Independent Expenditures



What is an Independent Expenditure?^{24,48}

Arizona law requires disclosure of independent expenditures in elections.

- An independent expenditure is an expenditure (i.e. campaign literature, advertisements, etc.) by a person—an individual or a candidate, nominee, committee, corporation, limited liability company, labor organization, partnership, trust, association, organization, joint venture, cooperative or unincorporated organization or association—other than the candidate's campaign committee, that expressly advocates the election or defeat of a clearly identifiable candidate, that is made without cooperation or consultation or at the request or suggestion of the candidate or candidate's agent.
- Any person may make an independent expenditure
- An expenditure is **NOT** an independent expenditure if either of the following applies:
 - There is actual coordination between the candidate, or an agent of the candidate, and the person making the expenditure, or an agent of the person making the expenditure.
 - The candidate, or agent of the candidate, provides non-public information about the candidate's or candidate's committee's plans or needs to the person or agent of the person making the expenditure **AND** the non-public information is provided with an intent toward having the expenditure made.
- Please refer to A.R.S. §16-941(D) for further information regarding circumstances when coordination does not exist.
- An expenditure that is coordinated with a candidate, other than a coordinated party expenditure, is deemed to be an in-kind contribution to the candidate.

Clean Elections Independent Expenditure Reporting Requirements^{5,34,49}

A.R.S. §§16-941(D) and -958

Any person²⁴ who makes more than \$740 in independent expenditures cumulatively in a single election cycle must file an independent expenditure disclosure report. A supplemental campaign finance report must be filed by the next due date when previously unreported independent expenditures exceed \$1,000. Each independent expenditure report must include a designation of the office and the candidate(s) whose election or defeat is being advocated, and whether the independent expenditure advocates the election or defeat of the candidate(s).

The Commission may impose a penalty of \$450 a day for violations related to a statewide election and \$160 a day for violations related to a legislative election, for each day the person, political committee, or other entity failed to comply. The penalties shall be doubled if the amount not reported for a particular election exceeds the applicable primary or general election spending limit.

A.A.C. R2-20-109 — Reporting Requirements

In accordance with A.R.S. § 16-958(E), all persons obligated to file any campaign finance report under any provisions of Chapter 6, Article 2 of the Arizona Revised Statutes shall file such reports using the Secretary of State's Internet-based finance-reporting system, except if:

1. Expressly provided otherwise by another Commission rule; or
2. That system, or the necessary function on the system, is unavailable, in which case the executive director shall implement a suitable process.

Chapter 6

Civil Penalties⁴⁹

Any person who fails to file a timely campaign finance report pursuant to A.R.S. §§16-941(D),-958 and A.A.C. R2-20-109, shall be subject to a civil penalty as prescribed in A.R.S. § 16-942(B). Any expenditure advocating against one or more candidates shall be considered an expenditure on behalf of any opposing candidate(s). Penalties shall be assessed as follows:

- a. For an election involving a candidate for statewide office, the civil penalty shall be \$300 per day.
- b. For an election involving a legislative candidate, the civil penalty shall be \$100 per day.
- c. The penalties in (a) and (b) shall be doubled if the amount not reported for a particular election cycle exceeds ten (10%) percent of the applicable adjusted primary election spending limit or adjusted general election spending limit.
- d. The dollar amounts in items (a) and (b), and the spending limits in item (c) are subject to adjustment of A.R.S. § 16-959.
- e. Penalties imposed pursuant to A.A.C. R2-20-109(B)(2) shall not exceed twice the amount of expenditures not reported.

A.R.S. § 16-942(B) applies to any entity including political committees that accepts contributions or makes expenditures on behalf of any candidate regardless of any other contributions taken or expenditures made and fails to timely file a campaign finance report under Chapter 6 of Title 16, Arizona Revised Statutes. Any expenditure advocating against one or more candidates shall be considered an expenditure on behalf of any opposing candidate(s). Penalties shall be assessed as follows:

- a. For an election involving a candidate for statewide office, the civil penalty shall be \$300 per day.
- b. For an election involving a legislative candidate, the civil penalty shall be \$100 per day.
- c. The penalties in (a) and (b) shall be doubled if the amount not reported for a particular election cycle exceeds ten (10%) percent of the applicable adjusted primary election spending limit or adjusted general election spending limit.
- d. The dollar amounts in items (a) and (b), and the spending limits in item (c) are subject to adjustment of A.R.S. § 16-959.
- e. Penalties imposed pursuant to A.A.C. R2-20-109(B)(3) shall not exceed twice the amount of expenditures not reported.

Predominant Purpose of Influencing Elections

An entity shall not be found to have the predominant purpose of influencing elections unless, a preponderance of the evidence establishes that during a two-year legislative election cycle, the total reportable contributions made by the entity, in any combination, in a calendar year exceeds \$1,000 and is more than fifty percent (50%) of the entity's total spending during the election cycle.

- a. For purposes of this provision, a "reportable contribution" or "reportable expenditure" shall be limited to a contribution or expenditure, as defined in title 16 of the Arizona revised statutes, that must be reported to the Arizona secretary of state, the Arizona citizens clean elections commission, or local filing officer in Arizona. A contribution or expenditure that must be reported to the federal election commission or to the election authority of any other state, but not to the Arizona secretary of state, the Arizona citizens clean elections commission or a local filing officer in Arizona, shall not be considered a reportable contribution or reportable expenditure.
- b. For purposes of this provision, "total spending" shall not include volunteer time or fundraising and administrative expenses but shall include all other spending by the organization.
- c. For purposes of this provision, grants to other organizations shall be treated as follows:
 1. A grant made to a political committee or an organization organized under section 527 of the internal revenue code shall be counted in total spending and as a reportable contribution or reportable expenditure, unless expressly designated for use outside Arizona or for federal elections, in which case such spending shall be

- counted in total spending but not as a reportable contribution or reportable expenditure.
2. If the entity making a grant takes reasonable steps to ensure that the transferee does not use such funds to make a reportable contribution or reportable expenditure, such a grant shall be counted in total spending but not as a reportable contribution or reportable expenditure.
 - d. If the entity making a grant earmarks the grant for reportable contributions or reportable expenditures, knows the grant will be used to make reportable contributions or reportable expenditures, knows that a recipient will likely use a portion of the grant to make reportable contributions or reportable expenditures, or responds to a solicitation for reportable contributions or reportable expenditures, the grant shall be counted in total spending and the relevant portion of the grant shall count as a reportable contribution or reportable expenditure as set forth below.
 - e. The amount of a grant counted as a reportable contribution or reportable expenditure shall be limited to the lesser of the grant or the following:
 1. The amount that the recipient organization spends on reportable contributions and reportable expenditures, plus
 2. The amount that the recipient organization gives to third parties but not more than the amount that such third parties fund reportable contributions or reportable expenditures.

The Commission may nonetheless determine that an entity is not a political committee if, taking into account all the facts and circumstances of grants made by an entity, it is not persuaded that the preponderance of the evidence establishes that the entity is a political committee as defined in title 16 of Arizona Revised Statutes.

Clean Elections Independent Expenditure Reporting Dates³⁴

1st of every month through June 1, 2018	1/2, 2/1, 3/1, 4/1, 5/1, 6/1
Every Tuesday beginning with the Primary Election Period (6/26/18 - 8/7/18)	6/26, 7/3, 7/10, 7/17, 7/24, 7/31, 8/7
Daily starting two weeks before the Primary Election (8/14/18 - 8/28/18)	8/14, 8/15, 8/16, 8/17, 8/20, 8/21, 8/22, 8/23, 8/24, 8/27, 8/28
Every Tuesday during the General Election Period (8/29/18 – 10/16/18)	9/4, 9/11, 9/18, 9/25, 10/2, 10/9, 10/16
Daily starting two weeks before the General Election (10/23/18 - 11/6/18)	10/23, 10/24, 10/25, 10/26, 10/29, 10/30, 10/31, 11/1, 11/2, 11/5, 11/6

The Commission will consider complaints that allege an individual, political committee, or entity has failed to file reports pursuant to A.R.S. §§16-941(D), -942(B), and -958 and A.A.C. R2-20-109.

Secretary of State's Reports - A.R.S. 16-922 and 16-926(H)

If an entity, other than an individual or a committee, makes independent expenditure or ballot measure expenditure in excess of \$1,000 during a reporting period, they must file an expenditure report with the filing officer.

- The expenditure report shall identify the candidate supported or opposed, the office sought by the candidate, the election date, mode of advertising, and first date of publication, display, delivery or broadcast of the advertisement.

7 Enforcement Matters, Complaints & Audits



COMPLAINTS AGAINST PARTICIPATING CANDIDATES

Externally Generated Complaints⁵⁰

Any person may file a complaint against a candidate if it is believed a violation of the Act or Commission rules. The complaint must contain the full name and address of the complainant as well as a clear and concise recitation of the facts which describe a violation of statute or rule. The complaint may be accompanied by any supporting documentation. *The complaint must be written, sworn to, signed in the presence of a notary public, and notarized.* The Commission will NOT accept verbal or anonymous complaints.

The Commission will send an acknowledgement to the complainant and send a copy of the complaint to the respondent. If the complaint does not comply with the Commission requirements, the Commission shall notify the complainant and the respondent and the complainant may resubmit the complaint.

The Commission will not consider any external complaints that have been filed either more than 90 days after the post-election report or more than 90 days after the canvas for that election, whichever is later.

Internally Generated Complaints⁵¹

The Commission staff may initiate an internally generated complaint against a candidate. The complaint is handled in an identical manner to an externally generated complaint, with the Commission acting as the complainant.

Response to a Complaint⁵²

Within 5 days after receiving a complaint, the Commission will send notice of the complaint along with a copy of the complaint to the respondent.

The respondent has 5 days to provide the Commission with a written response to demonstrate that no action should be taken on the basis of the complaint. *The response must be written, sworn to, and notarized.* The respondent's failure to respond within 5 days of receiving the written notice and copy of the complaint may be viewed as an admission to the allegations made in the complaint for purposes of the reason to believe finding.

Executive Director Recommendation⁵³

The Executive Director will review the written complaint, the respondent's written response, campaign finance reports and any supporting documentation provided by the complainant and respondent. The Executive Director shall make a recommendation to the Commission at a public Commission meeting whether or not there is reason to believe a violation has occurred. An investigation may include the use of the Commission's subpoena powers if needed to obtain all pertinent records. If the Commission decides that there is no reason to believe a violation has occurred, the matter will be closed and both parties will be notified in writing. If at least three of the five commissioners find that there is reason to believe a violation has occurred, the Commission staff will open an investigation into the matter.

COMPLAINTS AGAINST NON-PARTICIPATING CANDIDATES

Externally Generated Complaints⁵⁰

Any person may file a complaint against a candidate if it is believed a violation of the Act or Commission rules has occurred. The complaint must contain the full name and address of the complainant as well as a clear and concise recitation of the facts which describe a violation of statute or rule. The complaint may be accompanied by any supporting documentation. *The complaint must be written, sworn to, signed in the presence of a notary public, and notarized.* The Commission will NOT accept verbal or anonymous complaints.

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Commission Inquiry Approval⁵³

If the complaint relates to a violation of A.R.S. §16-941(B) by a non-participating candidate or that candidate's campaign committee, the Executive Director will not proceed to a recommendation to the Commission on whether it should find reason to believe that a violation may have occurred, without first receiving the Commission's approval to initiate an inquiry.

The Commission's decision to authorize an inquiry is not an appealable agency action.

Executive Director Recommendation⁵³

After the Commission approves an inquiry into a complaint regarding a non-participating candidate, the Executive Director will review the written complaint, the respondent's written response, campaign finance reports and any supporting documentation provided by the complainant and respondent. The Executive Director shall make a recommendation to the Commission at a public Commission meeting whether or not there is reason to believe a violation has occurred. An investigation may include the use of the Commission's subpoena powers if needed to obtain all pertinent records. If the Commission decides that there is no reason to believe a violation has occurred, the matter will be closed and both parties will be notified in writing. If at least three of the five commissioners find that there is reason to believe a violation has occurred, the Commission staff will open an investigation into the matter.

Chapter 7

CIVIL PENALTIES⁶

The Commission has the authority to assess civil penalties on both participating and non-participating candidates.

- The civil penalty for a violation of any contribution or expenditure in A.R.S. §16-941 by or on behalf of a participating candidate shall be ten times the amount by which the expenditures or contributions exceed the applicable limit.
- A person who violates A.R.S. §16-941(B) is subject to a civil penalty of three times the amount of money that has been received, expended, or promised in violation of A.R.S. §16-941(B) or three times the value in money for an equivalent of money or other things of value that have been received, expended, or promised in violation of A.R.S. §16-941(B).
- The civil penalty for a violation by or on behalf of any candidate of any reporting requirement shall be \$160 per day for candidates for the legislature and \$450 per day for candidates for statewide office. The penalty imposed shall be doubled if the amount not reported for a particular election cycle exceeds 10% of the adjusted primary or general election spending limit. No penalty imposed shall exceed twice the amount of the expenditures for contributions not reported.
- Any campaign finance report indicating a violation of A.R.S. §16-941 (A), (B), or (C)(1) involving an amount in excess of 10% of the sum of the adjusted primary election spending limit and the adjusted general election spending limit for a particular candidate shall result in disqualification of a candidate or forfeiture of office.
- Any participating candidate adjudged to have committed a knowing violation of A.R.S. §16-941 (A), (B), or (C)(1) shall repay from the candidate's personal monies to the fund all monies expended from the candidate's campaign account and shall turn of the candidate's campaign account to the fund.
- If the Commission has reason to believe a participating candidate is not in compliance with the Act or rules, the Commission may decertify a candidate, deny or suspend funding, order repayment of funds, impose a penalty not to exceed \$1,000 for a candidate for the legislature and \$5,000 for a candidate for statewide office.
- If the Commission has reason to believe a person other than a participating candidate is not in compliance with the Act or rules, then in addition to other penalties under the law, the Commission may impose a penalty not to exceed \$1,000.

All civil penalties collected by the Commission are deposited into the Clean Elections Fund.

Key Clean Elections points to remember:

- Candidates must conduct all campaign finance activity through a single bank account.
- Candidates must not exceed contribution and expenditure limits.
- Candidates should verify \$5 qualifying contributions prior to applying for funding.
- The Commission recommends collecting 20% more \$5 qualifying contribution than required.
- Primary and general election funds must be returned after each elections, respectively.
- Candidates are not permitted to use campaign funds for personal use.
- Candidates must keep a travel log for all transportation related expenditures.
- Candidates must retain all records, receipts, bank statements, contribution forms, contracts, and invoices.
- Candidates must itemize all reimbursements, petty cash expenditures, and expenditures containing a subvendor.
- Candidates must provide detailed information on their campaign finance reports for all consulting, advising, or other such services.

References

1. A.R.S. §16-905
2. A.R.S. §16-906
3. A.R.S. §16-947
4. A.A.C. R2-20-104
5. A.R.S. §16-941
6. A.A.C. R2-20-222
7. A.R.S. §16-311
8. A.R.S. §16-950
9. A.R.S. §16-951
10. A.R.S. §30-296
11. A.A.C. R2-20-108
12. A.A.C. R2-20-105
13. A.R.S. §16-946
14. A.R.S. §16-316
15. A.R.S. §41-1234.01
16. A.R.S. §16-952
17. https://gao.az.gov/sites/default/files/GAO-W-9_072815-S%26S%26A.pdf
18. A.R.S. §16-961
19. A.A.C. R2-20-106
20. A.R.S. §16-953
21. A.R.S. §16-933
22. A.R.S. §16-934
23. A.A.C. R2-20-101
24. A.R.S. §16-901
25. A.R.S. §16-945
26. A.R.S. §16-959
27. A.R.S. §16-907
28. A.R.S. §16-921
29. A.R.S. §16-948
30. A.A.C. R2-20-110
31. A.A.C. R2-20-115
32. A.R.S. §16-904
33. A.R.S. §16-927
34. A.R.S. §16-958
35. A.A.C. R2-20-702
36. A.A.C. R2-20-702.01
37. A.A.C. R2-20-401.01
38. A.A.C. R2-20-402
39. A.A.C. R2-20-402.02
40. A.A.C. R2-20-403
41. A.A.C. R2-20-404
42. A.A.C. R2-20-405
43. A.A.C. R2-20-406
44. A.A.C. R2-20-107
45. A.R.S. §16-956
46. A.A.C. R2-20-113
47. A.R.S. §16-912
48. A.R.S. §16-922
49. A.A.C. R2-20-109
50. A.A.C. R2-20-203
51. A.A.C. R2-20-207
52. A.A.C. R2-20-205
53. A.A.C. R2-20-206
54. A.A.C. R2-20-111
55. A.R.S. §16-911
56. See Department of State, Office of the Secretary of State, Election Services Division. (2017). *Arizona campaign finance: Candidate committees*. Retrieved from https://www.azsos.gov/sites/azsos.gov/files/2017_campaign_finance_handbook_-_candidate_committees.pdf
57. A.A.C. R2-20-112
58. R2-20-703.01

Citizens Clean Elections Commission

1616 W. Adams, Suite 110
Phoenix, AZ 85007
(602) 364-3477
(602) 364-3487 fax
1-877-631-8891 toll free
ccec@azcleelections.gov
www.azcleelections.gov

Citizens Clean Elections Commissioners

Steven M. Titla, Chairman
Democrat, Gila County

Damien Meyer
Democrat, Maricopa County

Mark Kimble
Independent, Pima County

Galen D. Paton
Republican, Pima County

Amy B. Chan
Republican, Maricopa County

Commission Staff

Thomas M. Collins
Executive Director

Sara A. Larsen
Financial Affairs & Compliance Officer

Gina Roberts
Voter Education Director

Mike Becker
Policy Director

Paula Thomas
Executive Officer

Alec Shaffer
Web Content Manager

Stephanie Cooper
Executive Support Specialist

Secretary of State's Office

Administration / Elections:
Capitol Executive Tower 7th Floor
1700 West Washington Street
Phoenix, AZ 85007-2888
(602) 542-4285 or (800) 458-5842
(602) 542-6172 fax
elections@azsos.gov
www.azsos.gov